

ABSTRACT

[illegible]

AGRICULTURE & COOPERATION (FP.II) DEPARTMENT

G.O.Rt.No.1333

Dated:29/10/2008

Read the following:

- 1) G.O.Rt.291, A&C(FP.II) Department, dated 7/3/2008
- 2) G.O.Rt.No. 1143, A&C (FP.II) Department, dated 16/9/2008
- 3) G.O. Rt. No. 1239, A&C(FP.II-2) Department, dated 10/10/2008
- 4)G.O. Rt. No. 1240, A&C (FP.II-2) Department, dated 10/10/2008)
- 5)From the Managing Director, APMARKFED, Hyderabad, Letter Rc. No.Fert/ Accts/ 2007-08. dated 17/10/2008.

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ORDER:

In the G.O. 1st read above, orders were issued nominating the APMARKFED as nodal agency to purchase and pre-positioning of fertilizers for the agriculture season 2008-09 by raising loans to an extent of Rs. 500 Crores from the Banks. It was further ordered therein that the interest accrued on the above loans will be borne by the Government on quarterly basis upto the end of Rabi season 2008-09. In the G.O. 2nd read above, orders were issued permitting the APMARKFED to import 1.00 lakh MTs of DAP through M/s Inidan Potash Limited. Further, in G.O. 3rd read above, orders were issued according permission to raise an additional loan of Rs. 350.00 crores from the Banks with an assurance of bearing the interest burden on the above loan till the receipt of subsidy from the Government of India and also for the reimbursement of any losses in the handling of imported DAP.

2. The Managing Director, APMARKFED in his letter 5TH read above has stated that M/s.AP State Coop. Bank Limited, Hyderabad has agreed in principle to sanction a loan of Rs. 100.00 Crores @ 13% per annum as interest to meet the gap for meeting the cost of fertilizers being imported through M/s IPL. The MD, APMARKFED has further stated that in the context of the above, M/s APCOB is insisting for Government guarantee for repayment of the loan on behalf of APMARKFED. He has, therefore, requested to stand Guarantee in favour of M/s APCOB on behalf of APMARKFED and for waiver of the guarantee commission and also to bear the interest on the entire loan till the receipt of subsidy from the Government of India.

3. Government after careful examination of the matter, hereby stand guarantee for the entire amount of Rs. 100.00 crores on behalf of A.P. State Cooperative Marketing Federation Limited, Hyderabad(AP MARKFED) to be raised from A.P. State Cooperative Bank Limited, Hdyerabad (APCOB), and agreed to bear the interest burden on the above loan till the receipt of subsidy from the Government of India. Government also agree to waive the guarantee commission on the above loan.

4. This order issues with the concurrence of Finance (EAC) Department vide their U.O.No.10657/465/A2/EAC/2008, Dt:29-10-2008.

P.T.O.

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5. The Managing Director, A..P. Markfed shall take further necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

RACHEL CHATERJEE
PRINCIPAL SECRETARY TO GOVERNMENT.

To
The Managing Director, A.P. Markfed, Hyderabad.
The Vice Chairman and Managing Director, APCOB, Hyderabad.
Copy to
The Commissioner & Director of Agriculture, Hyderabad.
The Finance (EAC) Department
SF./SC.

//FORWARDED :: BY ORDER //

SECTION OFFICER.